

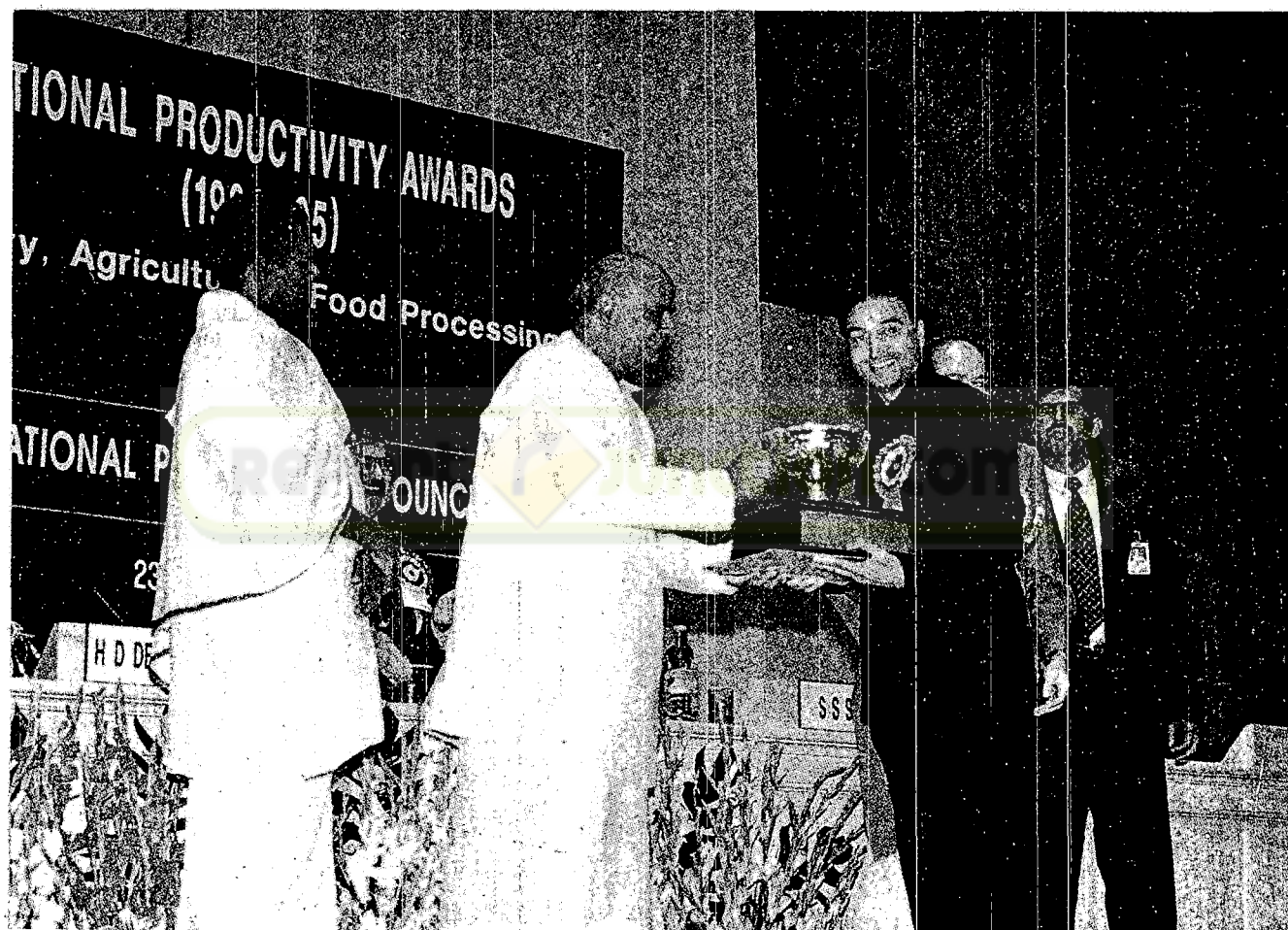
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Annual REPORT 1996-97



HIND INDUSTRIES LIMITED



Shri H.D. Deve Gowda, Prime Minister of India, presenting to Shri Sirajuddin Qureshi National Productivity Award for 1994-95 for best productivity performance in Meat Processing.

HIND INDUSTRIES LIMITED

BOARD OF DIRECTORS	:	Mr. Sirajuddin Qureshi (Chairman cum Managing Director) Mrs. Kiran Qureshi Mr. H.K. Peshwani (IFCI Nominee) Dr. M.A.Haleem Mr. B.B. Gupta Mr. K. Thanupillai
VICE PRESIDENT	:	Dr. Naseem Qureshi
COMPANY SECRETARY	:	Mr. Shahid Jamal Ahmad
MANAGER ACCOUNTS	:	Mr. S.M. Saini
BANKERS	:	Indian Bank , Overseas Branch State Bank of Hyderabad.
AUDITORS	:	M/s. M. K. Aggarwal & Co. Chartered Accountants
REGISTERED OFFICE	:	B-3, Friends Colony (West) Main Mathura Road New Delhi — 110 065
WORKS	:	B-42, Site IV Industrial Area, Sahibabad Distt. Ghaziabad (U.P.)

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HIND INDUSTRIES LIMITED**NOTICE :**

Notice is hereby given that the 24th Annual General Meeting of the members of Hind Industries Limited will be held at Airforce auditorium, Subroto Park, New Delhi - 110010, at 9.30 a.m. on Monday 15th December 1997 to transact the following business:-

ORDINARY BUSINESS

1. To consider and adopt the Balance Sheet as at 31st March, 1997, and the Profit and Loss Account of the Company for the year ended on that date and the report of Board of Directors and auditors thereon.
2. To appoint a Director in place of Mr. B.B. Gupta who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors to hold office from the conclusions of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.
4. To declare a dividend on Equity Share.

SPECIAL BUSINESS

5. To Consider and if, thought fit to pass with or without modification(s) the following resolution as Special Resolution;

" Resolved that the Authorised Share Capital of the Company be increased from Rs.16,00,00,000 (Rupees 16 Crores) divided into 1,60,00,000 equity Shares of Rs.10/- each to Rs.25,00,00,000 (Rupees 25 Crores) divided into 2,50,00,000 equity Shares of Rs. 10/- each

"Resolved further that pursuant to the provisions contained in the Section 16 and other applicable provisions if any, of the Companies Act, 1956, the existing Clause V of Memorandum of Association of the Company be and is hereby altered by deleting the same and substituting in it's place and stead the following as new clause V.

"The Authorised Capital of the Company is 25,00,00,000 (Rs.25 Crores only) divided into 2,50,00,000 equity shares of Rs.10/- (Rs.Ten) each."

"Resolved further that Article 5 of Articles of Association of the Company be and is hereby

Substituted by the following Article:

5. The Authorised Capital of the Company is Rs.25,00,00,000 (Rs. 25 Crores only) divided into 2,50,00,000 (Two Crores Fifty Lakhs) equity shares of Rs.10/- (Rupees Ten) each."
6. To Consider and if thought fit to pass with or without modification(s), the following resolution as Special Resolution.

"Resolved that in accordance with the provisions of Section 81 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof, for the time being in force), and enabling provisions in the Memorandum and Articles of Association of the Company and the listing agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed and subject to the approval of Govt. of India (G.O.I.), the Financial Institutions (FIs), Securities Exchange Board of India (SEBI), Reserve Bank of India (RBI), and all other concerned authorities, if any, and to the extent necessary and such other approval, permissions and sanctions, as may be necessary, and subject to such conditions and modifications as may be prescribed or imposed by any permission and sanction, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board") and / or a duly authorised committee thereof for the time being exercising the powers conferred by the Board, the consent of the Company be and/is hereby accorded to the Board to issue / offer equity shares and / or convertible debentures (fully or partly) and / or non-convertible debentures, all or any of the aforesaid with or without detachable or non-detachable warrants and / or warrants of any nature, and /or secured premium notes, and / or floating rate Notes/bonds and/or any other financial instruments (hereinafter referred to as "Securities") as the Board and at its sole discretion may at any time or times hereafter decide which Securities when issued or allotted would ultimately result in an increase in the subscribed / paidup equity share capital of the Company, by an amount not exceeding the Authorised Share Capital of the Company, to the Members, Employees, Non-Resident Indians, Overseas Corporate Bodies (OCBs), Foreign Institutions, Mutual Funds, Banks, Foreign Companies, International Institutions, other entities/ authorities and to such other persons, through such issues which may be brought from time to time including public issue, right issue, private placement, placement on firm allotment basis, exchange of securities, conversion of loan or otherwise and for

HIND INDUSTRIES LIMITED

general corporate purposes including capital expenditure, working capital requirements, strategic investments, any mergers, amalgamations, acquisitions, reconstructions or any other reorganisation as the Board may deem fit and / or by any one or more or a combination of the above modes / methods or otherwise and in one or more tranches, with or without voting right in General Meetings / Class Meetings of the Company as may be permitted under the prevailing laws, at such price or prices in such manner as the board may in it's absolute discretion think fit, in consultation with the lead Managers, underwriter, advisors and such other persons, and on such terms and conditions including the number of Securities to be issued, face value, rate of interest, redemption period, manner of redemption, amount of premium on redemption, the number of equity shares to be allotted on conversion / redemption / extinguishment of debt, exercise of rights attached with warrants, the ratio of exchange of share and / or warrants and / or any other financial instrument, period of conversion, fixing of record date or book closure and related or incidental matters."

"RESOLVED FURTHER THAT such of these securities to be issued, as are not subscribed, may be disposed of by the Board to such persons and in such manner and on such terms the Board may in its absolute discretion think most beneficial to the Company including offering or placing them with Banks / Financial Institutions / Investment institutions / Mutual Funds / Foreign Institutional Investors or such other persons or otherwise as the Board may, in its absolute discretion, decide."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to the offer / issue, allotment and utilisation of the proceeds of the issue of the securities and further to do all such acts, deeds, matters and things and to finalise and execute all such deeds, documents and writings as may be necessary, desirable or expedient as it may deem fit."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any committee of the Directors or any Managing Director of the Company to give effect to the aforesaid resolution."

7. To Consider and if thought fit, to pass with or without modification(s) the following resolution as

a Special Resolution :

"Resolved that pursuant to the Section 31 and other applicable provisions if any, of the Companies Act, 1956, the Articles of the Company be altered in the following manner;

After Article 7 of the Articles of Association of the Company the following new Articles 7A and 7B be inserted.

7A. Subject to the provisions of the Companies Act, 1956, and any other Law for the time being in force in this regard, the Board of Directors may from time to time issue non-voting equity shares upon such terms and conditions and with such rights and privileges (including right of dividend) attached thereto as may be thought fit and permitted and / or required by law, guidelines issued by Statutory Authorities and listing requirements.

7B. Subject to the provisions of the Companies Act, 1956, and any other law for the time being in force in this regard, the Board of Directors may from time to time buy back shares of the Company upon such terms and conditions as may be thought fit and permitted and /or required by law, guidelines issued by Statutory Authorities from time to time.

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION :

"RESOLVED THAT subject to the provisions of Companies Act, 1956 and of any other law for the time being in force and subject to necessary approvals, consents, permissions/sanctions as may be necessary by the relevant authorities, Board of Directors of the Company be and is hereby authorised to Buy-Back shares of the company upon such terms and conditions as may be thought fit and permitted and/or required by law, guidelines issued by statutory authorities from time to time."

By order of the Board of Directors

SHAHID JAMAL AHMAD

Company Secretary

NEW DELHI

AUGUST 28, 1997

Registered Office : B-3, Friends Colony (West)

Main Mathura Road

New Delhi - 110065

HIND INDUSTRIES LIMITED**Notes :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE MEETING.
2. The Register of Member and Share Transfer Books of the Company will remain closed from Tuesday, 16 September 1997 to Wednesday, 23rd September 1997 (both days inclusive).
3. Members are requested to intimate to the Company Secretary changes, if any, in their registered addresses alongwith Pin Code Number.
4. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
5. As measure of economy, distribution of copies of the Report at the Annual General Meeting shall not be made. Members are requested to bring their copies of the report to the meeting.
6. SHAREHOLDERS SEEKING ANY INFORMATION WITH REGARD TO ACCOUNTS ARE REQUESTED TO WRITE TO THE COMPANY SECRETARY WELL IN ADVANCE SO AS TO REACH THE COMPANY ATLEAST 7 DAYS PRIOR TO ANNUAL GENERAL METING SO AS TO ENABLE THE MANAGEMENT TO KEEP INFORMATION READY AT THE AGM.

EXPLANATORY STATEMENT

Pursuant to Section 173(2) of the Companies Act, 1956

ITEM NO. 5

The present Authorised Share Capital of the Company is Rs. 16,00,00,000 (Rupees Sixteen Crores only) divided into 1,60,00,000 (One Crore and Sixty Lakhs only) equity shares of Rs. 10/- each.

Looking into very high cost of debt fund which the Company is availing from the Financial Institutions, the Company is planning to substitute the debt fund by equity and this needs enhancement of authorised Share Capital. Moreover the Company is working over various Diversification Projects for which the Company might go to Shareholders for raising of Capital.

Hence the Board recommends passing of the said resolution as special resolution to raise the authorised share capital to the extent of Rs. 25 Crores.

Two other consequential resolution for amendment in Memorandum and Articles of Association are also

recommended to be passed as Special Resolution.

None of the Directors is concerned or interested in the resolution except to the extent of their shareholding.

ITEM NO. 6

As explained under item no. 5 the Company may issue/ offer further Shares to the extent of Authorised Capital, where it would become necessary to raise finance to meet the fund requirements of the Company. In terms Section 81 of Companies Act, 1956 this issue/allotments of Shares needs approval of shareholders, hence the resolution.

The Board recommends passing of the resolution as Special Resolution.

None of the Directors is concerned or interested in the resolution except to the extent of their shareholding.

ITEM NO. 7 & 8

As per proposed amendments, indicated in the Companies Amendment Bill 1997, Companies might be allowed to issue non-voting equity shares and also Buy-Back their own shares on terms and conditions as approved by the statutory guidelines/authorities.

Resolution as item no. 8 empowers the Company to Buy-Back its own shares on such terms and conditions as might be in force at the time of Buy-Back of Shares.

Amendment to Article 7 of the Articles of Association of the Company as set out in item No. 7 of the notice are consequential.

The Directors recommend the resolution at item nos. 7 & 8 for approval of Shareholders.

None of the Directors is, in any way, concerned or interested in the said resolutions except to the extent of their shareholding.

By order of the Board of Directors

SHAHID JAMAL AHMAD
Company Secretary
NEW DELHI
AUGUST 28, 1997

Registered Office : B-3, Friends Colony (West)
Main Mathura Road
New Delhi - 110065

HIND INDUSTRIES LIMITED**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting their Twenty Fourth Annual Report alongwith Audited Accounts for the year ended 31st March, 1997.

Financial Highlights :

	1996-97	1995-96
Sales	5251.72	5539.84
Other Income	55.27	23.78
Operating Profit	678.15	-
Profit before Taxes	678.15	744.26
Taxes	-	3.28
Profit after Taxes	678.15	740.98
Appropriations:		
Proposed Dividend	57.53	-
Corporate Dividend Tax	5.75	-
Transfer to General Reserve	600.00	400.00
Surplus Carried to B/Sheet	364.73	349.86

Performance of Company in the thrust area i.e. export of fresh and frozen meat has improved by an amount of Rs.1,40,92,610/- though there has been decline in Sales owing to depressed world market conditions.

Operations :

During the year the Company could achieve a turnover of Rs.5251.72 lakhs against the last years turnover of Rs.5539.84 The profit of the Company is Rs.678.15/- lakhs as against the last years profit of Rs.744.26.

Finance :

A Rupee Term Loan of Rs.1900 lakhs has been sanctioned by IFCI Ltd. for the expansion plans of the Company during the Financial Year. Out of this Loan an amount of Rs.1800 lakhs have been disbursed by IFCI till date.

Expansion Plan :

The Company's expansion plans to increase the installed capacity from 15000 MT to 25000 MT p.a. is in progress.

Dividend :

Your Directors recommend for your Consideration tax free dividend of 8% for the year ended on 31st March 1997. Prorata dividend will be paid to shares which were allotted during the year. Total Dividend outgo will be Rs. 5753356. The Company will pay Tax of 10% on dividend amount.

Current year's out Look :

The Company has received large number of export orders as well as enquiries for its meat products from a number of Countries in Middle East as well as Far East.

The Company's brand of product has achieved a special reputation and equity in Middle East and other markets.

The Directors are confident that with the buoyant world market for meat products and Governments programme to give major thrust to Exports, the Company's performance would be much better in the current year.

Directors :

Mr.B.B.Gupta, Director will retire by rotation at the forthcoming Annual General Meeting and being eligible offers himself for reappointment.

Auditors :

M/s M.K.Aggarwal & Co., Chartered Accountants, retire as Auditors of the Company at the conclusion of 24th Annual General Meeting and being eligible offer themselves for reappointment.

Qualification in Auditor's Report

Explanations to the Qualifications made in the Paragraph (2) of Auditors Report is as under :-

(A) Investment to the extent of Rs.50 Lakhs is in the form of Share Application Money were made in Punjab Meats Ltd. and Rajasthan Meats Ltd. though shares have not been allotted by the said Companies, Management is sure to get the money refunded.

(B) With an investment of more than 52 percent in Hind Agro Industries Ltd., the said Company became subsidiary to our Company and hence no approval is required for further investments in terms of section 372

HIND INDUSTRIES LIMITED

(14) (d) of Companies Act, 1956.

Particulars of Employees :

There was no employee in the Company drawing remuneration of more than 25,000/- per month or Rs.3,00,000/- per annum during the year, hence no particulars of Employees under section 217(2A) of Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975 is required to be given.

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo :

The statement pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in the Annexure forming part of this report.

Acknowledgements :

The Directors wish to thank and deeply acknowledge the co-operation, assistance and support extended to the company by the Central Government, State Government, Financial Institutions and Company's Bankers. The Board also wishes to place on record their appreciation for the all round co-operation and sincere efforts made by the workers, staff and executives of the Company.

For and on behalf of the Board of Directors

SIRAJUDDIN QURESHI
Chairman

PLACE: New Delhi
DATED: August 28, 1997

ANNEXURE TO THE DIRECTORS' REPORT

Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

A) CONSERVATION OF ENERGY

Energy conservation Measures Taken

a) Energy conservation during the financial period

- (i) During the Financial Year, the Company continued efforts in optimum conservation of power. Power generation and power consuming equipments were under continuous supervision and maintenance.
- (ii) Distribution system was overhauled for effective functioning.
- (iii) In the cold storages, insulation were made more effective to avoid energy losses.

b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy: Strict vigil is being maintained over use of utilities, refrigerants, compressors, air handling units lighting and fans.

c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

Consumption of energy per unit of production has been in line with the level of activity due to measures related to energy conservation undertaken as stated above.

d) Total energy consumption :

Power and Fuel consumption :

Electricity	As At 31.03.97	As At 31.03.96
a) Purchased Units (KWH)	2834357.00	2892250.00
Total Amount (Rs.)	8219638.00	8387836.00
Average Rate/Unit (Rs.)	2.90	2.90
b) Own Generation through Diesel Generator Set		
Units per litre of Diesel Oil	129285.00	173178.00
Cost/Unit	8.02	7.45
Total Amount (Rs.)	1036869.00	1290173.00

Consumption per Unit of Production**Fresh & Frozen Meat**

	(Per M.T.)	
	As At	As At
	31.03.97	31.03.96
Particulars		
Electricity (KWH)	355.15	306.38
Diesel Oil (Litres)	15.29	18.34

B) Technology Absorption

Efforts made in technology absorption as per Form B of the Annexure to the rules :-

1. Research and Development (R&D)

- Specific areas in which R & D carried out by the Company.
The R & D Laboratory is being run efficiently. Continuous efforts are being made to improve the functioning.
- Benefits derived as a result of above R & D.
As a result of R & D, there has been improvement in the quality of the output.
- Future Plan of action :

The R & D Department has been equipped with the Latest equipments. Effluent Treatment Plant is being run efficiently.

2. Technology Absorption, Adaptation and Innovation

- Efforts in brief made towards technology absorption, adaptation and innovation :-

Technology absorption, adaptation and innovation is ensured through recruitment of qualified technical, operational, process and veterinary staff, food technologist and seeing that the personnel work with right approach towards their job.

Benefits derived as result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc. :-

The Company has derived substantial benefits through above efforts and a professional approach be always adopted to solve various problems with an eye over economy.

- Technology imported : Nil

C) Foreign Exchange Earning and Outgo :**1. Efforts :**

During the financial year, the company exported fresh and frozen meat products to Gulf Countries. The Company also exported other general export items.

2. Steps taken to increase Exports :

The Company has been continuously making efforts to increase exports by strengthening its marketing efforts, production and exploring new markets.

3. Earning and Outgo :

The foreign exchange earnings of the company amounted to Rs.423991953 during the financial year under review by way of sales whereas the outgo during the same period was Rs. 2099171 lakhs on account of foreign Travelling and Rs. 5795108 on account of Machinery Purchase.

For and on behalf of the Board of Directors

SIRAJUDDIN QURESHI
Chairman

PLACE: New Delhi
DATED: 28th August, 1997

HIND INDUSTRIES LIMITED**AUDITOR'S REPORT****The Members of Hind Industries Limited,**

We have audited the attached Balance Sheet of M/s. Hind Industries Limited as on 31st, March, 1997, and also the Profit and Loss Account of the Company for the year ended on that date annexed thereto and report that :

1. As required by the Manufacturing and other Companies (Auditor's Report) Order 1988, issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 & 5 of the said Order.

2. Further to our comments in the Annexure referred to in paragraph 1 above, we refer to :-

(i) No provision is made for amounts paid for allotment of shares shown under advances (Refer Note No. 4).

(ii) Investment in subsidiary company of Rs. 1507 lacs has been made during the year. Out of the same, initial subscription of Rs. 1237 lacs was made with the approval of Central Government. No approval is required for the balance amount as explained to us, in view of the provision contained in section 372 of Companies Act, 1956

3. a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

b) In our opinion, proper books of Accounts as required by law, have been kept by the Company, so far as appears from our examination of those books.

c) The balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the Books of Account.

d) In our opinion and to the best of the information and explanation given to us, the said Accounts read together with accounting policies and subject to Notes on Accounts thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:-

i) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March 1997.

ii) In the case of the Profit and Loss Account, of the Profit for the year ended on that date.

For M.K. AGGARWAL & COMPANY
CHARTERED ACCOUNTANTS

(M.K. AGGARWAL)
Partner

PLACE: New Delhi

DATED: 28th August 1997